to Rs. 4½ lakhs. The principal items of decrease are Miscellaneous, Rs. 4¾ lakhs, and Maramat, Rs. 1 lakh. Under Miscellaneous we had provided Rs. 1¾ lakhs for payment of contribution towards the Cochin Harbour Scheme which will lapse, Rs. 2¼ lakhs for payment of scarcity allowances and Rs. ¾ lakh as a reserve for miscellaneous and unforeseen charges. The lump provision made for payment of scarcity allowance and the reserve have been transferred to other heads and the expenditure has appeared under those heads. The decrease under Maramat is due to the fact that the department will spend on works only about Rs 1 lakh less than the amount provided in the budget. Against these decreases, the departments of Land Revenue, Judicial, Police and Stationery expect each to spend about Rs. ½ lakh in excess of the original budget provision. An increase of Rs. ½ lakh is also anticipated under Miscellaneous Political Expenditure on account of expenses in connection with the visit of His Highness the Maha Raja of Cochin. Under Stationery we expect to spend Rs. 1 lakh in excess of the original budget provision of Rs. 5 lakhs. This is counterbalanced by a reduction of Rs. ½ lakh, being the estimated expenditure transferable to the Anchal Department. It may be mentioned here that, when the budget of 1097 was framed, it was found that, inclusive of the amount required for the purchases during the year, a sum of about Rs. 11 lakhs would be necessary to wipe off the arrears due to our Stationery contractors, with whom we were having a running account for several years. This heavy liability was entirely due to the abnormal rise in the price of stationery articles during the war and even after. Out of the total of Rs. 11 lakhs above referred to, Rs. 4 lakhs represent the value of purchases made during the current year. The amount that will be left unpaid at the close of this year will be about Rs. 4 lakhs. But, as we are providing only Rs. 3 lakhs for 1098, the balance of Rs. 1 lakh as well as the value of articles to be purchased in 1098 will have to be postponed for payment to 1099. I may, however, assure the Council that we have already effected and are still effecting strict economies in the expenditure of stationery and taking necessary steps to avoid needless waste. By this means we have been enabled to keep a stock out of the current year's supply sufficient to meet the requirements of a few months of the next year. We have also effected considerable savings by avoiding superfineness in the articles purchased. As a result of these economies our next year's supply is expected to cost only Rs. 1¾ lakhs.

Budget Estimates of 1098.

11. The Budget Estimate for the coming year provides for an expenditure of Rs. 194½ lakhs against a total revenue of Rs. 194⅔ lakhs, and we expect to close the year with a surplus of a few thousands of rupees. Under revenue an increase of Rs. 4 lakhs over the receipts of the current year is estimated. This is based on the expectation that there will be at least a partial improvement in the coming year in the present depression of trade and monetary stringency. Land Revenue

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[Mr K. George.]

is estimated at Rs. 2 lakhs more on the expectation of a better demand for *puduval* registry. I have already explained our abnormal loss under Railways in the current year. The Railway Company having raised the fares by about 25 per cent., we estimate a net income of Rs. 1 lakh for the next year under this head, after making allowance for the working expenses and interest charges. Taxes on income are expected to yield Rs. 1¼ lakhs more than the revised estimate. The estimated full assessment is about Rs. 5 lakhs, and allowing Rs. ¼ lakh for refunds, the net receipts are fixed at Rs. 4¾ lakhs against Rs. 3½ lakhs anticipated to be realised in the current year. Turning to the other side of the picture, we find a serious fall of nearly Rs. 3½ lakhs in the Excise revenue. The fall is mainly under Abkari. This is due to some extent to a natural reaction from the large increases in the current lease over the last, but its main reason is to be sought in the agitation against toddy-drawing which has for some time past been carried on among the Ezhavas and which had the immediate effect of preventing many toddy shops from being bid for and reducing the rentals offered for such of them as have had bids. Under Customs, our receipts in the current year being exceptionally large, we are anticipating a fall of Rs. 1 lakh next year.

12. Turning next to expenditure, Government have made all possible cuts consistent with efficiency. They have subjected the budget proposals of the heads of departments to a close scrutiny and have provided what, in their opinion, are only the barest requirements. They have moreover taken care not to starve the services or allotments essential to the moral and material development of the country like Education, Industries and Agriculture and they have also provided for effect being immediately given to the enhancements of salaries sanctioned all round, to meet the increased cost of living and to remove glaring inequalities in remuneration. These enhancements have resulted in a net increase of Rs. 2½ lakhs over the current year's expenditure on salaries *plus* scarcity allowance and would have been much more but for the reductions made in the several *cadres* from top to bottom to the utmost extent considered possible without efficiency being impaired. Under P. W. D. all new building works of a non-urgent character and all extravagance in designs have been avoided with the result that, even after making fair provision for maintenance and improvement of communications, it was found possible to cut down the grant by Rs. 5 lakhs.

13. I shall now briefly explain the marked variations between the Revised Estimates and the Budget. The increases are chiefly under Devaswoms (Rs. 6¾ lakhs), Education (Rs. 3 lakhs) and Land Revenue (Rs. 1¼ lakhs). The increase under Devaswoms is due to the constitution of a separate Devaswom Department and the contribution to Devaswoms of a definite slice of the Land Revenue in pursuance of the provisions of the Devaswom Proclamation. In the current year, our total expenditure on Devaswoms is expected to amount to Rs. 13¼

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lakhs exclusive of about Rs. 1¼ lakhs incurred by the Maramat Department for the construction and maintenance of temples. In 1098, the State's contribution to the Devaswom Fund alone comes to Rs. 16 lakhs. Besides this contribution, the following charges have also to be met directly from General Revenues,—Rs. 2,10,000 to be paid to Sripandaravakai, Rs. 90,100 on account of the controlling establishment of the new department, Rs. 46,000 under grants to private temples, Rs. 30,000 on account of the preliminary expenses of the Murajapam ceremony which is to come off in 1099 and Rs. 20,000 for payment of arrear claims against Devaswoms pending at the close of this year which cannot be legitimately charged to the future Devaswom Fund and for Miscellaneous. The increase under Education is the result of the reorganisation of the department, its normal expansion, the opening of Group II in His Highness the Maha Raja's College, and increased provision under grants-in-aid. The excess of Rs. 1¼ lakhs under Land Revenue is chiefly due to the fact that in 1098 the amount transferable from Land Revenue to the head 'Administration of Justice' is considerably less than in 1097. Hitherto one-third of the Division and Taluk Cutcherry charges was being so transferred as representing the cost of the magisterial work done by Peishkars, their Assistants and Taluk Tahsildars. Now that in future all except five Tahsildars will not ordinarily exercise magisterial functions, no amount will be transferred from Taluk Cutcheries to Administration of Justice.

Set against these increases are the savings of (i) Rs. 5 lakhs under Public Works, already explained, and (ii) Rs. 3 lakhs under Stationery as compared with the current year's expenditure. Among the minor variations the only one which deserves to be noticed is that under Maramat. The proposed expenditure under this head is only Rs. 3 lakhs, inclusive of a provision of Rs. 1 lakh for the construction of a palace for His Highness the Maha Raja at Delhi, against Rs. 3¼ lakhs expected to be spent on purely Maramat works this year. The saving of Rs. 1¼ lakhs is due to the fact that from 1098 onwards the Maramat expenditure on temples will be met from the Devaswom Fund.

14. To sum up, we have just succeeded in making both ends meet, but, as already stated, this result has been obtained by relentless retrenchment and avoidance of all waste and also by postponing the payment of a part of the claims of our Stationery suppliers and Government have not been able to provide any reserve worth mentioning for meeting unforeseen expenses.

Capital Expenditure not charged to Revenue.

15. The Budget Estimate of 1097 provided for an expenditure of Rs. 40,000 under capital expenditure not charged to revenue on account of the Quilon-Trivandrum Railway. The same figure is adopted for the Revised Estimate. For 1098, a sum of Rs. 1 lakh is provided at the request of the Agent, South Indian Railway, of which Rs. 3/4 lakh is for works and the balance is for being deposited with the Railway

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